

**MINUTES OF THE NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
AUDIT & BUDGET COMMITTEE MEETING**

March 8, 2016

This meeting of the Public Employees Retirement Board Audit & Budget Committee was called to order by Chair Dan Mayfield at approximately 9:00 a.m. on the above-cited date in the PERA Building, Senator Fabian Chavez, Jr. Board Room, 33 Plaza La Prensa, Santa Fe, New Mexico.

Following the Pledge of Allegiance, roll was called by Executive Director Wayne Propst and a quorum was established with the following members present:

Members Present:

Dan Mayfield, Chair
John Reynolds, Vice Chair
James Maxon
Jackie Kohlasch

Member(s) Absent:

Tim Eichenberg
Brad Winter

Other Member(s) Present:

Patty French
Dan Esquibel
Paula Fisher

Staff Members Present:

Wayne Propst, Executive Director
Susan Pittard, Chief of Staff-General Counsel
Jonathan Grabel, Chief Investment Officer
Greg Trujillo, Deputy Director
Renada Peery-Galon, ASD Director
Natalie Cordova, Chief Financial Officer
Karen Risku, Deputy General Counsel
Danna Varela, Executive Assistant
Misty Braswell, Assistant General Counsel
Dana David, Assistant General Counsel
Zarina Martinez, ASD

2. APPROVAL OF AGENDA

Mr. Reynolds moved to approve the agenda as presented. His motion was seconded by Mr. Maxon and passed by unanimous [4-0] voice vote.

3. APPROVAL OF CONSENT AGENDA

Mr. Reynolds moved to approve the consent agenda. His motion was seconded by Mr. Maxon and passed by unanimous [4-0] voice vote.

4. CURRENT BUSINESS

A. Update: Internal Audit Work Plan

Natalie Cordova, Chief Financial Officer, reviewed the completed report and trainings and highlighted upcoming internal audit parts: investment policy statement compliance, benefit payments and member refunds, and recurring census data test work.

Ms. Cordova noted that REDW will be conducting these tasks.

B. Update: FY15 Schedule of Employer Allocations

Ms. Cordova said PERA received official release of its schedule of employer allocations and pension amounts, referred to as "Schedule," from the NM State Auditor's Office September 2015.

The Schedule for 2015 is in the draft process with two years of data for comparison purposes. She reviewed the NPL (net pension liability) figures for the PERA, Judicial, Magistrate and Volunteer Firefighters. She noted that the majority of the information in the Schedule will remain similar to the FY 2014 with two changes: There will not be additional pension expense allocated to the employer participants that provide payment of a portion of the member contributions; and the calculation of the change in each employer participant's share of the net pension liability. The Schedule is being prepared by Moss Adams. Submission to the NM State Auditor is anticipated in April 2016 for review and subsequent release.

Ms. Cordova said PERA's outreach efforts on GASB 67/68 are ongoing.

C. Update: FY15 CAFR (Comprehensive Annual Financial Report)

PERA received the Certificate of Achievement for Excellence in Financial Reporting last August, stated Ms. Cordova for its 2014 CAFR. PERA has achieved this award every year for the past 14 years. She noted that PERA is one of 15 entities in New Mexico that has received the award.

PERA's 2015 CAFR was submitted February 29, 2016 and contains introductory, financial, investment, actuarial and statistical sections.

Ms. Cordova's memo includes links to the GFOA website and PERA website which provides additional information and data on the CAFR.

Ms. Fisher congratulated staff for their outstanding work. Chair Mayfield said it was an honor for PERA to receive the awards.

Ms. Cordova introduced Zarina Martinez, a relatively recent PERA ASD employee.

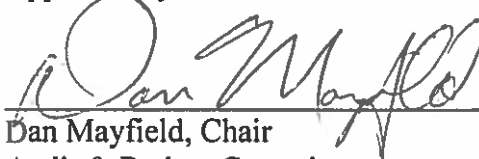
5. **OTHER BUSINESS**

None was presented.

6. **ADJOURNMENT**

Having completed the agenda, Chair Mayfield adjourned this meeting at approximately 9:20 a.m.

Approved by:



Dan Mayfield, Chair
Audit & Budget Committee

ATTEST:



Wayne Propst, Executive Director